

ELLIOTT & ELLIOTT, P.A.

ATTORNEYS AT LAW

1508 Lady Street

COLUMBIA, SOUTH CAROLINA 29201

sellott@elliottlaw.us

SCOTT ELLIOTT

TELEPHONE (803) 771-0555

FACSIMILE (803) 771-8010

September 29, 2011

VIA E-FILING

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Application of Carolina Water Service, Inc. for adjustment of Rates and Charges and
Modification of Certain Terms and Conditions for the Provision of Water and Sewer
Service
DOCKET NO.: 2011-47-WS

Dear Ms. Boyd:

At the hearing of the above, the Commission requested a late filed exhibit consisting of the contract between Carolina Water Service, Inc. and York County in which the terms include 15% allowance for non-account water use. Accordingly, enclosed is hearing Exhibit 34 consisting of the following:

- 1) Contract for Bulk Water and Sewer Services between Carolina Water Service, Inc. and York County dated January 28, 1992;
- 2) Agreement for Use of Water Line dated November 18, 1996; and
- 3) Memorandum of Understanding dated November 22, 1996.

The 1992 Agreement for Bulk Water and Sewer Services was approved this Commission by Order No. 1992-537. In Order No. 96-714, Carolina Water Service, Inc. obtained approval from the Public Service Commission of four additional agreements in furtherance of its relationship with York County, including the Agreement for Use of Water Line enclosed. The Memorandum has controlled the parties conduct since 1996.

If you have questions, please feel free to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: All Parties of Record w/enc.

CWS agreement



YORK COUNTY COUNCIL

Post Office Box 66, York, South Carolina 29745

Tel: (803) 684-8511 • Fax: (803) 684-8550

Carl L. Gullick, Chairman
District 7

Ada Chisolm-Perry, Vice-Chairman
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District 1

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District 2

Jane C. Gilfillan
District 3

Curwood P. Chappell
District 5

David E. Vipperman, III
District 6

November 22, 1996

Mr. David H. Demaree
Senior Vice President
Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

Dear Mr. Demaree,

Carolina Water Service and York County have entered into an agreement to provide for the County to sell wholesale water to CWS for use in the utility's River Hills/Lake Wylie Franchise Area. It is understood that CWS will accept wholesale water service on December 2, 1996 and that the County will bill CWS on a monthly basis for wholesale water based upon retail customer readings within the River Hills/Lake Wylie Franchise Area. CWS will provide a complete billing list of all customers within the franchise area on a monthly basis which details the usage of each customer on the system.

It is agreed by both the County and CWS that the County will include as part of the County supply charge for wholesale water, a specified percentage that will pay for all non-account water. Such water is defined as water that is registered by the County's master meter, used by CWS and not recorded on the retail customer meters. Examples of such water are main breaks, hydrant flushing, and regular leakage.

To limit the County's risk in accepting the payment method described above, CWS hereby guarantees that it will annually pay for all water registered on the County master meter exceeding 115% of the usage recorded on the retail customer meters. The determination of the amount of payment shall be on an annual basis, commencing on the anniversary date of the initiation of service. The County shall render to CWS an accounting of all water sold through the master meter and compare the amount so delivered with the water paid for by CWS over the prior twelve month period. CWS will remit payment to the County for all water so billed to CWS with fifteen days of receipt of the County's annual billing.

CWS retains the right to obtain monthly readings from the County's master meter and to check on the accuracy of said meter readings from time to time at the sole cost of CWS. CWS

agrees to collect County tapping fees within the franchise area and remit those revenues to the County on a monthly basis. CWS further agrees to provide to the County upon request monthly electric meter readings for the pumps and equipment at the utility's existing well sites.

Agreed upon this 25th day of November, 1996.

YORK COUNTY

UTILITIES INC./CAROLINA WATER SERVICE


Carl L. Gullick, Council Chairman


David H. Demaree, Utilities Inc.

THIS AGREEMENT ("Agreement") is entered into this 28 day of January, 1992, by and between York County, South Carolina (the "County"), and Carolina Water Service, Inc. ("CWS"), a Delaware corporation:

RECITALS

WHEREAS, the County has the authority to construct both water and sewer systems, and grant franchises to others to provide water and sewer service, under the provisions of §§ 7-175 through 7-182 of the Code of York County, as amended; and

WHEREAS, CWS intends to apply to the County for a non-exclusive franchise to provide both water distribution and sewage collection service to all customers within the area described in Exhibit A (hereinafter referred to as the "CWS Service Area") in accordance with the terms and conditions of this Agreement; and

WHEREAS, the County intends to provide wastewater transportation and treatment service within certain areas of York County, including the entire CWS Service Area; and

WHEREAS, the County intends to provide water supply and/or distribution services within certain areas of York County, including the entire CWS Service Area; and

WHEREAS, the County intends to lease from CWS the wastewater treatment facility owned by CWS and commonly known as the River Hills Wastewater Treatment Plant and the River Hills elevated storage tank; and

(Signature)

WHEREAS, CWS consents to the provision by the County of wastewater transportation and treatment services within the CWS Service Area as well as the provision of potable water within the CWS Service Area; and

WHEREAS, the County intends to transport all wastewater generated in the CWS Service Area to the City of York and to purchase treated potable water from the City of York subject to the terms, conditions and limitations contained in a separate contract between the County and the City of York; and

WHEREAS, CWS desires to accept bulk water service from the County within the CWS Service Area in accordance with the terms and conditions contained herein, and the County desires to provide the same when it is available.

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings contained herein, the parties agree as follows:

ARTICLE I

OBLIGATIONS OF THE COUNTY FOR SEWER

1. The County agrees to install, construct and/or contract for the following sewage facilities and services:

A. A sewage pump station to be constructed by the County at County's sole cost and expense upon land owned by CWS and leased to the County, designated as the River Hills Sewage Treatment Plant site (such site description attached hereto as Exhibit B).

B. Sewage force main lines in the CWS Service Area of

sufficient size and capacity to transport all sanitary sewage from the CWS Service Area to sewage treatment plants either owned by or contracted for by the County.

C. Sewage treatment capacity sufficient to provide sanitary sewage treatment services for sanitary sewage generated within the CWS Service Area.

2. The County agrees to maintain, operate, and repair all County-installed pump stations and sewage force mains at no cost or expense to CWS except as specified in Article I, paragraph 5 herein, exclusive of any damage caused by CWS. CWS shall give the County fifteen (15) days notice of any taps to the force main. CWS will notify the County immediately of any breaks in the line.

3. The County agrees to enter into a twenty-five (25) year lease with CWS for use of the land described in Exhibit C and the exclusive County use of the existing CWS sewage treatment plant located on such site as a flow equalization facility, and to operate, maintain and repair said facilities during the term of the Lease, excluding maintenance and repair of any damage caused by CWS.

4. The County agrees to grant a twenty-five (25) year lease to CWS for use of the sewage force main to be constructed by the County within the CWS Service Area.

5. The County agrees to provide the above-described sewage transportation and treatment to CWS for a fixed monthly rate per Single Family Equivalent ("SFE") estimated at Eighteen (\$18.00) Dollars. The actual rate shall be determined upon the receipt of

construction bids and the sale of revenue bonds. Said rate as so determined shall remain in effect for a minimum of one (1) year from the date service is initiated and may be adjusted thereafter from time to time. Additionally, CWS shall be entitled to a Most Favorable Wholesale Sewage Transportation and Treatment Rate such that no other wholesale customer on this system, including private and public entities, shall receive a lesser rate for comparable services; provided, however, that this provision shall not apply to any commercial or industrial customer that contributes substantial capital contributions to the construction of any segment of the sewer system.

6. The County agrees to allow new CWS customers to contribute sewage to the County's system upon purchase of a tap certificate from the County in an amount as determined by the County from time to time.

7. The County agrees to allow existing CWS customers physically connected to the system and owners of lots contiguous to existing CWS sewer mains on the date of this Agreement located in the River Hills, Forest Oaks and Hamilton Harbor Subdivisions to contribute sewage to the County's system without payment to the County of any tap certificate fee whatsoever, unless such customer has a change in service requiring a new tap. The River Hills, Forest Oaks and Hamilton Harbor subdivisions exempted from the payment of tap certificate fees under this paragraph are shown and described on Exhibit C attached hereto.

8. The County agrees to allow CWS to expand its sewage

collection facilities, either directly or through developer agreements, so as to serve customers not presently served by CWS but which are located in the CWS Service Area, in accordance with the preceding four (4) paragraphs of this Article, subject, however, to the terms and provisions of applicable County Ordinances, such franchise as may be granted to CWS by York County, applicable rules, regulations and orders of the Public Service Commission; applicable rules, regulations and order of the Department of Health and Environmental Control; and any other applicable Federal, State or local laws.

9. The County agrees to maintain and keep in force comprehensive insurance covering the County's construction activities and operation of the River Hills Wastewater Treatment Plant (the "RHWTP"), in an appropriate amount for the applicable risks involved, including builders' risk, public liability, casualty, fire, property damage, and workers compensation coverage.

ARTICLE II

OBLIGATIONS OF CWS FOR SEWER

1. CWS agrees to provide to the County a list of customers connected to the sewer system in the CWS Service Area as of the date the Agreement is executed, the size of each tap, and the customer classification, i.e., residential, commercial, industrial, etc. Supplemental customer lists shall be provided on a bi-monthly basis to include connection date, size and classification. In addition, CWS will, from time to time, keep the County informed as to the status of the existing system as well as potential new

connections to the system for planning and administrative purposes.

2. CWS agrees to retain ownership of the collection system in the CWS Service Area and agrees to pay the County such transportation and processing fees as set forth in this Agreement.

3. CWS agrees as part of this agreement that the County has the right to set sewer rates for wholesale service provided by the County to CWS.

4. CWS agrees to pay to the County, within ten (10) days after they are billed, the total fees owed to the County for the previous bi-monthly service. CWS agrees to make an initial one month payment in advance to the County at initial start up. Thereafter, CWS agrees to pay all fees, rates and charges for services bi-monthly. These fees shall be computed as set forth in this Agreement. If the fees are not paid within thirty (30) days following the end of the billing period, a late charge of one and one-half per cent (1.5%) shall be levied against the total amount due. If the fees are not remitted within sixty (60) days of the due date, then, upon ten (10) days after sending written notice by certified mail, return receipt requested, the County may withhold its services hereunder, until such payments are remitted. If legal action is required to collect any accruals, all costs of collection, including a reasonable attorney's fee, shall be added to the amount of the debt. If provisions of the York County Code relating to terms of service, payment of fees, rates and charges, late charges or disconnection or discontinuance of service are amended, this agreement shall be deemed amended to the extent

required to conform to the York County Code.

5. CWS agrees that the County shall have the right to require commercial and/or industrial customers to install pre-treatment facilities to improve the quality of the sewage to such acceptable standards as are set forth in the county pre-treatment ordinance and/or policy relating to this system.

6. CWS agrees to operate and maintain the wastewater collection system within the CWS Service Area in accordance with requirements of the South Carolina Department of Health and Environmental Control ("DHEC") and furnish to the County copies of all reports as are required to be submitted to DHEC thereunder.

7. CWS agrees to lease to the County the land and improvements known as the RHWTP for exclusive use by the County in providing wastewater transportation and treatment service from the CWS Service Area throughout the term of this Agreement. The County will construct, operate, and maintain (at the County's sole expense) pumping facilities at the RHWTP. The RHWTP shall be used by the County as a flow equalization basin for raw sewage. The County shall remain solely responsible for the operation and maintenance of the RHWTP throughout the term of this Agreement, commencing with the termination of the wastewater discharge by the RHWTP into Lake Wylie.

8. In consideration of CWS' lease of the RHWTP to the County, the County shall lease to CWS the use of the sewage force main to be constructed by the County within the CWS Service Area. CWS agrees to use due diligence in its use of the County's sewer

force mains. If CWS or CWS contractors damage said sewer force mains, CWS will promptly reimburse the County for all associated repair costs. In the event the County ceases to use the RHWTP, CWS shall, nevertheless, retain the right to use the said collection trunk line during the twenty-five (25) year term of this Agreement without the payment of any additional consideration other than is provided for herein.

9. The consideration for the leases described in paragraphs 7 and 8 above is the mutuality of the leases themselves such that neither the County nor CWS shall pay to the other any lease or rental payments or any other consideration whatsoever for the leases described in paragraphs 7 and 8 above, other than the mutual promises and undertakings contained herein.

10. CWS acknowledges that CWS must obtain from York County a franchise to provide sewer service throughout the CWS Service Area. This Agreement is, accordingly, conditioned upon the granting of said franchise to CWS substantially in the form shown as Exhibit D attached hereto.

11. CWS hereby agrees to act as agent for the County in connection with the sale of the County tap certificates and shall remit the fees from the sale thereof to the County on a bi-monthly basis. CWS agrees that it will not connect any customer within the CWS Service Area without first determining that such customer has purchased a sewer tap certificate in accordance with the terms of this Agreement.

1. The County agrees to install, construct and/or contract for the following potable water facilities and services:

A. A high service water pump station to be constructed by the County at County's sole cost and expense to transport potable water to the CWS Service Area.

B. Potable water transmission lines in the CWS Service Area of sufficient size and capacity to transport all water to the CWS Service Area from the water supply/source either owned by or contracted for by the County.

C. Potable water treatment capacity sufficient to provide for water demands generated within the CWS Service Area.

2. The County agrees to maintain, operate, and repair all County-installed high service pump stations and transmission mains owned by the County at no cost or expense to CWS except as specified in Article III, paragraph 5 herein, exclusive of any damage caused by CWS. CWS shall give the County fifteen (15) days notice of any taps to the water main. CWS will notify the County immediately of any breaks in the line.

3. The County agrees to enter into a lease with CWS for use of the elevated storage tank which is described in Exhibit E, and to operate, maintain and repair said facilities during the term of the lease, excluding maintenance and repair of any damage caused



by CWS.

4. The County agrees to grant a lease to CWS for use of the water transmission main to be constructed by the County within the CWS Service Area.

5. The County agrees to provide the above-described water supply to CWS on a cost per 1,000 gallon not greater than the most favorable wholesale water supply rate available to any other wholesale customer on this system, including private and public entities; provided, however, that this provisions shall not apply to any commercial or industrial customer that contributes to the construction of any segment of the water system. Said initial rate as so determined shall remain in effect for a minimum of one (1) year from the date service is initiated and may be adjusted thereafter from time to time.

6. The County agrees to allow new CWS customers to purchase water from the County's system upon purchase of a tap certificate from the County in an amount as determined by the County from time to time.

7. The County agrees to allow existing CWS customers and owners of lots contiguous to CWS existing distribution mains on the date of this Agreement located in the River Hills, Forest Oaks and Hamilton Harbor subdivisions to purchase water from the County's system without payment to the County of any tap certificate fee whatsoever, unless such customer has a change in service requiring a new tap. The River Hills, Forest Oaks and Hailton Harbor subdivisions exempted from the payment of tap certificate fees

under this paragraph are shown and described on Exhibit C attached hereto.

8. The County agrees to allow CWS to expand its water distribution facilities, either directly or through developer agreements, so as to serve customers not presently served by CWS but which are located in the CWS Service Area, in accordance with the preceding four (4) paragraphs of this Article, subject, however, to the terms and provisions of applicable York County Ordinances, such franchise as may be granted to CWS by York County; applicable rules, regulations and orders of the Public Service Commission; applicable rules, regulations and orders of the Department of Health and Environmental Control; and any other applicable Federal, State or local laws.

9. The County agrees to maintain and keep in force comprehensive insurance in an appropriate amount for the applicable risks involved, covering the County's construction activities and operation of the county's water system, including builders' risk, public liability, casualty, fire and property damage and workers compensation coverage.

ARTICLE IV

OBLIGATIONS OF CWS FOR WATER

The parties agree that CWS will take bulk water service from the County, when the same is available, on the following terms:

1. CWS agrees to accept bulk water service for all areas within the service area granted to CWS by York County under its franchise ordinance and within the service area authorized

by the South Carolina Public Service Commission as of the date that service is initiated. It is agreed that CWS will purchase all of its water supply from the County commencing the day that the water line to the CWS elevated storage facility within the service area becomes operational.

2. CWS agrees to provide to the County a list of customers connected to the water system in the CWS Service Area as of the date the Agreement is executed, the size of each tap, and the customer classification, i.e., residential, commercial, industrial, etc. Supplemental customer lists shall be provided on a bi-monthly basis to include connection date, size and classification. In addition, CWS will, from time to time, keep the County informed as to the status of the existing system as well as potential new connections to the system for planning and administrative purposes.

3. CWS shall retain ownership of the internal distribution system in the CWS Service Area and agrees to pay the County such transportation and processing fees as set forth in this Agreement.

4. CWS agrees as a part of this agreement that the County has the right to set water rates for wholesale service provided by the County to CWS.

5. CWS agrees to pay to the County, within ten (10) days after it is billed, the total fees owed to the County for the previous bi-monthly service. CWS agrees to make an initial one month's payment in advance to the County at the initial

start up. Thereafter, CWS agrees to pay all fees, rates and charges for service bi-monthly. These fees shall be computed as set forth in this Agreement. If the fees are not paid within thirty (30) days following the end of the billing period, a late charge of one and one-half per cent (1.5%) shall be levied against the total amount due. If the fees are not remitted within sixty (60) days of the due date, then, upon ten (10) days after sending written notice by certified mail, return receipt requested, the County may withhold its services hereunder, until such payments are remitted. If legal action is required to collect any accruals, all costs of collection, including a reasonable attorney's fee, shall be added to the amount of the debt. If provisions of the York County Code relating to terms of service, payment of fees, rates and charges, late charges or disconnection or discontinuance of service are amended, this agreement shall be deemed amended to the extent required to conform to the York County Code.

6. CWS agrees to operate and maintain the water distribution system within the CWS Service Area in accordance with requirements of the South Carolina Department of Health and Environmental Control ("DHEC") and furnish to the County copies of all reports as are required to be submitted to DHEC thereunder.

7. CWS agrees to lease to the County the land and improvements known as the River Hills elevated storage tank

for exclusive use by the County in providing water service to the CWS Service Area throughout the term of this Agreement. The County shall remain solely responsible for the operation and maintenance of the River Hills elevated storage tank throughout the term of this Agreement.

8. In consideration of CWS' lease of the River Hills elevated storage tank to the County, the County shall lease to CWS the water transmission main to be constructed by the County within the CWS Service Area.

9. The consideration for the leases described in paragraphs 7 and 8 above is the mutuality of the leases themselves such that neither the County nor CWS shall pay to the other any lease or rental payments or any other consideration whatsoever for the leases described in paragraphs 7 and 8 above, other than the mutual promises and undertakings contained herein.

10. CWS acknowledges that CWS must obtain from York County a franchise to provide water service within the CWS Service Area. This Agreement is, accordingly, conditioned upon the granting of said franchise to CWS substantially in the form shown as Exhibit D attached hereto.

11. CWS hereby agrees to act as agent for the County in connection with the sale of the County tap certificates and shall remit the fees from the sale thereof to the County on a bi-monthly basis. CWS agrees that it will not connect any customer within the CWS Service Area without first determining that such customer has purchased a water tap certificate in accordance with the terms of

ARTICLE V

REPRESENTATIONS AND WARRANTIES

1. The County represents and warrants that it is authorized to provide both water and sewage treatment services in the CWS Service Area as shown on Exhibit A.

2. The County represents and warrants that, pursuant to the within Agreement, customers of CWS will not be subjected to discriminatory practices by the County with respect to either rates or services.

3. The County represents and warrants that CWS will be provided the services by the County contemplated hereunder on a continual and uninterrupted basis, as long as CWS pays the County for such services in accordance with the rates and charges established hereunder, and so long as CWS performs its other obligations established hereunder.

4. Both parties understand and agree that the performance contemplated herein is dependent and conditioned upon the County's ability to complete financing arrangements on a timely basis. In the event such arrangements are not completed within thirty-six (36) months of the date of this Agreement and the County does not pursue this project, the provisions of this Agreement will be null and void. In such event, however, CWS shall have the right to retain any franchise issued by York County for the provision of both water and sewer service within the CWS Service Area, provided

it is able to obtain an adequate alternative source of water and/or bulk sewage treatment on a timely basis.

5. CWS represents and warrants that, within thirty (30) days of the execution of this Agreement by both parties, it will apply to the SCPSC for a Certificate of Convenience and Necessity, which will grant CWS authority to provide water and sanitary sewer service to the CWS Service Area pursuant to the rules and regulations of the SCPSC. Accordingly, the rights and obligations of the parties hereto are predicated upon issuance by the Commission of said Certificates.

6. The County represents and warrants that it will cooperate fully with CWS with regard to the application described in paragraph 5 above.

7. The County represents and warrants that there are no prior outstanding agreements or commitments which would interfere with or affect the County's ability to provide the sewage and water service contemplated herein.

ARTICLE VI

COUNTY ORDINANCES AND LAWS

1. CWS and the County acknowledge and agree that this agreement is subject to all County ordinances and laws and that, therefore, the provisions of all County ordinances and laws shall be incorporated herein and made a part hereof.

ARTICLE VII

MISCELLANEOUS

1. It is further agreed and recognized by the parties hereto that the rights and obligations of CWS and the County relative to treatment and transportation of wastewater generated by CWS

customers, and to the transmission and use of potable water by CWS customers, are to be governed by this Agreement.

2. If any party hereto breaches a material obligation as established by this Agreement, such breach will constitute a default. The non-defaulting party shall give written notice of such default, and the defaulting party shall have ten (10) days, in event of nonpayment as provided in Article II, paragraph 2, sixty (60) days written notice by certified mail, return receipt requested, for other events of default, within which to cure such default, if such default is not cured within such notice period, the non-defaulting party may hold in abeyance continued performance of its obligations under this Agreement until such time as the default is cured. This remedy is in addition to, and not in lieu of, any other remedies at law or in equity. In the event that either party hereto suffers actual or consequential damages as a result of a breach hereto, any judgement obtained shall include costs of the action and reasonable attorney fees.

3. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder. If such failures, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of

similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.

4. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of South Carolina.

5. The covenants, terms, conditions, representations, warranties, provisions, and undertakings in this Agreement shall extend to and be binding upon the successors and assigns of the respective parties.

6. This document contains the entire agreement between the parties with regard to the subject matter hereof and cannot be changed or modified except in writing duly executed by both parties.

7. The parties hereto understand and agree that CWS shall be entitled, with respect to lines owned and leased by CWS, to charge and retain such water and sewer user fees and connection fees as are authorized by the SCPSC from time to time.

8. All notices or communications required or permitted under this agreement shall be deemed sufficiently given or served if served personally or by certified or registered mail, postage prepaid, addressed as follows:

TO THE COUNTY:

J. E. Klugh, County Manager
P. O. Box 66
York, SC 29745

TO CWS:

Perry B. Owens, Chairman
Carolina Water Service, Inc.
2335 Sanders Road
Northbrook, IL 60062

or at such other place or places or to such other person or persons
as shall be designated in writing by the respective parties.

IN WITNESS WHEREOF, the parties have set their hands and seals
the day and year above first written.

WITNESS

J. E. Klugh
M. B. H.

YORK COUNTY, SOUTH CAROLINA

BY: *Caldwell A. Barron*
Caldwell A. Barron, Chairman
York County Council

Attest: *J. E. Klugh*
J. E. Klugh
County Manager

WITNESS

Perry B. Owens
J. Carmon

CAROLINA WATER SERVICE, INC.

BY: *Perry B. Owens*
Perry B. Owens, Chairman

Attest: *David H. Demaree*
David H. Demaree
V-Pres.

(P. 33)

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

AGREEMENT FOR USE OF WATER LINE

THIS AGREEMENT made and entered into this 18th day of November, 1996, by and between York County, South Carolina, a body politic and political subdivision of the State of South Carolina, hereinafter referred to as "the County" and Carolina Water Service, Inc., a Delaware corporation, hereinafter referred to as "CWS,"

WITNESSETH:

1.(a) The County is authorized to construct and operate water and sewer systems and to grant franchises to private utilities to provide water and sewer service under the general law, enactments of the South Carolina General Assembly, and provisions of the Code of York County, South Carolina, as amended.

(b) CWS is a "public utility," as defined by the laws of the State of South Carolina, and is subject to the jurisdiction of the South Carolina Public Service Commission, which has established a service area including portions of York County for the water service which CWS provides.

(c) By Ordinance adopted February 17, 1992, by the York County Council, the County granted to CWS a non-exclusive franchise for the provision of water and sewer services to customers located within a defined geographical area of York County (the "CWS Franchise Area"), which area is more

particularly shown and described on Exhibit A attached to the Ordinance.

(d) The County intends to supply water and water distribution services and wastewater collection, transportation and treatment services within certain areas of York County.

The County and CWS entered into an Agreement, dated January 28, 1992, pursuant to which the County agreed to supply bulk water and water services to CWS and CWS agreed to accept such water and water services for use in the service to its customers in its established Franchise Area in York County.

(e) Under the terms and provisions of the Agreement between the County and CWS, dated January 28, 1992, CWS agreed to lease to the County an elevated water storage tank known as the River Hills elevated water storage tank. The County agreed to grant to CWS the use of a water transmission main constructed by the County within the CWS Franchise Area, subject to the terms and conditions of the Agreement between the parties dated January 28, 1992.

(f) The County has constructed and installed a high service water pump station and water main at the County's sole cost and expense, which the County is obligated to maintain, operate and repair to transport potable water to the CWS Franchise Area from a water supply or source contracted for by the County.

(g) By Lease Agreement, dated of even date herewith, CWS has leased the River Hills elevated storage tank and property on which it is located to the County.

2.(a) In consideration of the lease by CWS to the County of the River Hills Wastewater Treatment Plant and the River Hills elevated water tank, and in further consideration of the obligations, promises, covenants and conditions of CWS under the Agreement between the parties, dated January 28, 1992, a copy of which is attached hereto, marked Exhibit "A," and incorporated into and made a part of this Agreement by reference, the County hereby grants to CWS the right to the non-exclusive use of that portion of a water transmission main constructed by York County located within the CWS Franchise Area known as the Catawba Water System Improvement Water Main. The portion of the Catawba Water System Improvement Water Main referred to in this Agreement shall remain the property of the County, and the rights granted to CWS under the terms and provisions of this Agreement shall constitute a license for the use of the water main as herein described. No use by CWS of such water main, shall create or vest in CWS any property right or easement in the County's water main, pump stations, equipment or appurtenances. As-built drawings of the County's Phase IV Catawba Water System Improvements are attached hereto, marked Exhibit "B" and incorporated into and made a part of this Agreement by reference.

(b) The County shall maintain, operate and repair all County-installed high service pump stations, meters and transmission lines owned by the County at no cost or expense to CWS except as provided in Article III, Paragraph 5, of the Agreement between the parties, dated January 28, 1992, attached hereto as Exhibit "A," except for damage caused solely by CWS.

(c) The County agrees to permit new CWS customers to purchase water from the County's system upon purchase of a tap certificate from the County at a tap fee determined by the County from time to time in accordance with the County's ordinances and policies applicable to such taps.

(d) The County further agrees to allow customers of CWS and owners of lots contiguous to CWS distribution mains as such customers and owners existed on January 28, 1992, located in River Hills, Forest Oaks and Hamilton Harbor Subdivisions to purchase water from the County system without payment to the County of any tap certificate fee unless such customer has a change in service requiring a new tap.

(e) CWS shall give the County fifteen (15) days' notice of any taps to the County's water main and will provide notification to the County of any breaks in the water main immediately upon discovery by CWS.

(f) CWS may expand its water distribution facilities so as to serve customers not presently served by CWS but which are located in the CWS Franchise Area in accordance with the provisions of paragraphs 4, 5, 6 and 7 of Article III of the Agreement between the parties, dated January 28, 1992, attached hereto as Exhibit "A."

3.(a) CWS agrees to accept bulk water service from the County immediately on the execution of this Agreement for all areas within the CWS Franchise Area for which County water service is available. CWS agrees to purchase all of its water supply from the County commencing immediately upon the execution

of this Agreement. CWS acknowledges that the County has the right to set rates for wholesale water service provided by the County to CWS. CWS agrees to be responsible for collecting water charges and fees from its customers.

(b) CWS agrees to pay to the County such wholesale water rates and transportation and processing fees as may be established from time to time by the County, subject to the terms and conditions of this Agreement and the Agreement between the parties, dated January 28, 1992, attached hereto as Exhibit "A."

(c) The County agrees to provide a supply of potable water to CWS at a cost of Two and 96/100 Dollars (\$2.96) per (1000) gallons upon the effective date service is initiated. This initial rate shall remain in effect for a minimum of one (1) year from the date service is initiated.

(d) After the expiration of the initial one-year period, the County may adjust rates for water services in accordance with the terms and provisions of the County's rate schedule.

(e) At all times during the term of this Agreement, CWS shall be entitled to a most favorable wholesale rate for water services so that no other wholesale customer on the County's water system, including public and private entities, shall receive a lower rate for comparable services; provided, however, that this provision shall not apply to any commercial or industrial customers which make substantial capital contributions to the construction of any segment of the County's water system.

4. CWS agrees to provide the County a list of customers connected to the County's water system in the existing CWS Franchise Area as of the date of this Agreement and a list of such customers as they existed on January 28, 1992, the size of each tap, and the customer identification or classification, i.e., residential, commercial, industrial, etc. CWS further agrees to supply supplemental customer lists to the County on a bi-monthly basis to include connection date, size of connection and classification. CWS and the County further agree to keep each of them informed from time to time as to the status of the County's system and potential new connections to the County system or to the CWS system for planning and administrative purposes.

5. CWS shall retain ownership of its internal distribution water system in the CWS Franchise Area.

6. Upon request, the County agrees to provide CWS with copies of existing and future contracts with third parties for the supply of water which is used to provide water services to the CWS Franchise Area.

7. CWS agrees to pay to the County, within ten (10) days after it is billed, the total fees owed to the County for the previous bi-monthly service. CWS agrees to make an initial advance of one-month's payment to the County upon initial startup of the County water distribution main and system. Thereafter, CWS agrees to pay all fees, rates and charges for service bi-monthly. Such fees shall be computed as set forth in this

Agreement and in the Agreement between the parties, dated January 28, 1992, as the same may be adjusted and amended in the County's schedule of rates, fees and charges. If payment of duly computed fees and charges is not made within thirty (30) days following the end of a billing period, a late charge of one and one-half percent (1½%) shall be added to the total amount due. If payment of such fees and charges is not remitted within sixty (60) days of the due date, then the County may, upon ten (10) days after sending written notice by certified mail, return receipt requested, to CWS, withhold its services to CWS until such payments is remitted. If legal action is required to collect rates, fees and charges due the County, all costs of collection, including a reasonable attorney's fee, shall be added to the amount of the debt.

8. CWS agrees to operate and maintain its water distribution system within the CWS Franchise Area in accordance with the requirements of the South Carolina Department of Health and Environmental Control ("DHEC"), and CWS agrees to furnish the County copies of all reports CWS may be required to submit to DHEC from time to time.

9. CWS hereby agrees to act as agent for the County in connection with the sale of County tap certificates to the County system, and CWS agrees to remit the fees from the sale of such taps to the County on a bi-monthly basis. CWS agrees that it will not connect any customer within the CWS Franchise Area without first determining that such customer has purchased a

water tap certificate in accordance with the terms and provisions of this Agreement and, to the extent applicable, with the terms and provisions of the Agreement between the parties, dated January 28, 1992, attached hereto as Exhibit "A."

10. In the event that the County provides water services to other customers from the Catawba Water System Improvement Water Main, the County agrees to install such meters or other measuring devices within the CWS Franchise Area as will insure that CWS will be billed only for the water actually delivered to CWS's system.

11. The County and CWS acknowledge and agree that this Agreement is subject to all statutory and regulatory requirements of the State of South Carolina, county ordinances, laws and regulations, and all statutory and regulatory requirements, county ordinances and laws shall be incorporated into and made a part of this Agreement by reference.

12. If any party to this Agreement is prevented from complying with any term, covenant or condition of this Agreement by acts of God, floods, storms, explosions, fires, labor disputes, strikes, insurrections, riots, acts of the public enemy or federal, state or local laws, orders, rules or regulations, then while so prevented, the term, covenant or condition shall be suspended, and the party shall be relieved of the obligation of complying with such term, covenant or condition, and shall not be liable for damages or for failure to comply with them, and any obligation of any party shall be extended for so long as such

party is so prevented from complying with any term, covenant or condition contained in this Agreement. No party shall be excused from performing any term, covenant or condition of this Agreement solely because of the act or omission of such party.

13. If any party to this Agreement is prevented from complying with any term, covenant or condition of this Agreement by an event of force majeure, then while so prevented, the term, covenant or condition shall be suspended, and the party shall be relieved of the obligation of complying with such term, covenant or condition, and shall not be liable for damages or for failure to comply with them, and any obligation of any party shall be extended for so long as such party is so prevented from complying with any term, covenant or condition contained in this Agreement. An event of force majeure is (a) an act of God, floods, storms, explosions, fires, labor disputes, strikes, insurrections, riots, acts of the public enemy, or federal or state laws, orders, rules or regulations; or (b) an event which reasonably prevents a party's performances under this Agreement if such event could not have been avoided by such party through the exercise of reasonable care and judgment.

14. Waiver of any breach of the terms, covenants or conditions of this Agreement or the Agreement between the parties of January 28, 1992, attached hereto as Exhibit "A", or the non-performance of such agreements for any particular time shall not be construed as a waiver of any succeeding breach of the same or any other term, covenant or condition hereof, and the consent,

approval and acquiescence of either party to any such breach shall not waive or render unnecessary such consent or approval to or of any subsequent similar breach. No mention in this Agreement of any specific right or remedy shall preclude either party from exercising any other right or remedy or from maintaining an action to which it may otherwise be entitled, either at law or in equity, and the failure of any party to insist in any one or more instances upon strict performance of any term, covenant or condition of this Agreement or to exercise any right or option herein contained shall not be construed as a waiver or relinquishment for the future of any such covenant or right, but the same shall remain in full force and effect unless the contrary is expressed in writing by the party concerned.

15. Time is of the essence in each and every provision of this Agreement.

16. Except as provided in paragraph 8, this Agreement may be modified or amended only by a writing duly authorized and executed by the parties. This Agreement may not be amended or modified by oral agreements or understandings between the parties unless the same shall be reduced to writing duly authorized and executed by both parties.

17. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto, their respective successors and assigns.

18. This Agreement shall be deemed made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of the State of South Carolina.

19. This Agreement sets forth all of the covenants, promises, agreements, conditions and understandings between the parties with respect to the subject matter hereof, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties with respect to such matters other than those set forth herein. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by the parties.

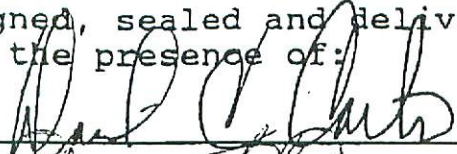
20. If any term, covenant or condition of this Agreement or any application thereof to any person or circumstance shall to any extent be declared invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant and condition of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.


21. This Agreement shall extend for a term of commencing on the date of this agreement and extending through February 17, 2017, when it shall expire.

22. This Agreement is executed in multiple counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals to this Agreement in duplicate originals the day and year first above written.

Signed, sealed and delivered
in the presence of:



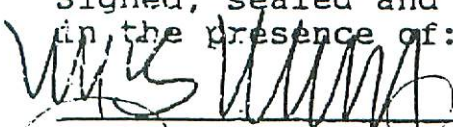


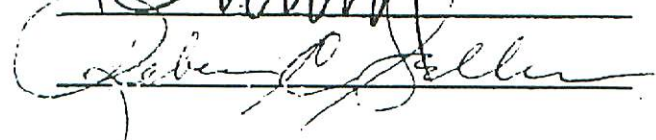
CAROLINA WATER SERVICE, INC.

BY: 

Attest: 

Signed, sealed and delivered
in the presence of:





YORK COUNTY, SOUTH CAROLINA

BY: 

Attest: 

County Manager

PERSONALLY appeared before me _____ David H. Demaree

— who made oath that — he saw the within named Carolina Water
Service, Inc., by James Camaren, its
Chairman

_____, sign the within
Agreement for Use of Water Line, and _____ Andrew Dopuch
_____, its _____ Vice President

_____, attest the same, and the said corporation, by said officers,
seal said Agreement for Use of Water Line, and, as its act and
deed, deliver the same, and that _____ he with David C. Carter
_____ witnessed the execution thereof.


David H. Demaree
Secretary

SWORN to before me this 14TH
day of NOVEMBER, 1996.

Richard S. Sully (SEAL)
Notary Public for Illinois

My Commission Expires: 09-18-97

"OFFICIAL SEAL"
Phil Ann Scully
Notary Public, State of Illinois
My Commission Expires 9/18/97

PERSONALLY appeared before me Rebecca C. Sellers
_____ who made oath that she saw the within named York
County, South Carolina, by Carl L. Gullick
, its Chairman, sign the within Agreement for Use of Water Line
and J. Clay Killian, its County Manager, attest
the same, and the said corporation, by said officers, seal said
Agreement for Use of Water Line, and, as its act and deed,
deliver the same, and that she with Melvin B. McKeown, Jr.
witnessed the execution thereof.



SWORN to before me this 18th
day of November, 1996.

 (SEAL)
Notary Public for South Carolina

My Commission Expires: August 30, 2000

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by electronic mail on the date indicated below:

RE: Application of Carolina Water Service, Inc. for adjustment of rates and charges and modification of certain terms and conditions for the provision of water and sewer service

DOCKET NO.: 2011-47-WS


PARTIES SERVED: Nanette S. Edwards, Esquire
Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29211

Laura P. Valtorta, Esquire
Forty Love Point Homeowners' Association
903 Calhoun Street
Columbia, SC 29201

Charles Cook, Esquire
Cook Law Firm
6806 Pine Tree Circle
Columbia, SC 29206

PLEADING: Exhibit 34 Contract Between Carolina Water and York County

October 5, 2011


Jackie C. Livingston, Paralegal